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# The Manufacturers Hanover Financial Digest

Weekly Commentary, Selected Financial Data, and Business Indicators

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Manufacturers Hanover Trust Company
350 Park Avenue, New York, NY 10022

## Selected Federal Reserve Data

(Averages of Daily Figures—Billions of Dollars)

| | Week Ending 12/9/81 | $ Change Since Week Ago | $ Change Since Year Ago |
|---|---|---|---|
| Reserve Bank Credit | | | |
| U.S. Gov'ts and Agencies Owned Outright & RPs | 135.830 | + .359 | + 8.040 |
| Loans to Depository Inst. | .618 | + .301 | – 1.168 |
| Float | 2.840 | – 1.490 | – 1.642 |
| Total Reserve Bank Credit | 149.428 | – .990 | + 8.173 |
| Treasury Deposits with Federal Reserve Banks | 2.666 | – .362 | + .438 |
| Currency Outside Banks | 126.777 | + .339 | + 5.116 |
| Member Bank Reserves: | | | |
| Required | 40.608 | – .622 | + 1.415 |
| Excess (Deficiency) | .161 | – .358 | – .101 |
| Total Reserves Held | 40.769 | – .980 | + 1.314 |
| Net Borrowed Reserves | .427 | + .670 | – .986 |
| Gov'ts held for Foreign Acct. by F.R. Banks (End-of-Week) | 95.756 | – .298 | + 4.865 |

| Monetary Aggregates † | | % Change Since Three Months Ago* | % Change Since Year Ago |
|---|---|---|---|
| M1-B | 440.6 | + 6.0‡ | + 4.7‡ |
| M2 (November '81) | 1,823.4 | + 10.4 | + 9.3 |
| M3 (November '81) | 2,165.6 | + 9.1 | + 11.0 |
| L (August '81) | 2,550.8 | + 11.4 | + 11.3 |

† Seasonally adjusted. * Seasonally adjusted annual rate. ‡ Four-week moving average.

## New York Money Market

| Offering Rates 12/18/81 | 3 Months | 6 Months | 1 Year |
|---|---|---|---|
| ‡ U.S. Treasury Bills | 10.99% | 11.54% | 11.54% |
| * Federal Agencies | 11.12 | 11.87 | 12.42 |
| * Project Notes–Taxfree (46% Taxable Equivalent) | 12.22 | 12.87 | NA |
| Negotiable Time CDs Manufacturers Hanover | Rates By Arrangement | | |
| * Secondary Market–Prime | 12.88 | 13.35 | 14.00 |

| ‡ Finance Company Paper–Prime | | ‡* Bankers' Acceptances | |
|---|---|---|---|
| 5- 14 days | 11.50% | Jan. | 12.30% |
| 15- 29 days | 12.25 | Feb. | 12.30 |
| 30- 59 days | 12.25 | Mar. | 12.40 |
| 60- 89 days | 12.25 | Apr. | 12.50 |
| 90-179 days | 12.25 | May | 12.60 |
| 180-239 days | 11.50 | Jun. | 12.50 |
| 240-270 days | 10.50 | | |

| ‡ Industrial Paper–Prime | | | |
|---|---|---|---|
| 30- 89 days | 12.25% | †Federal Funds Effective Rate | 12.20% |
| 90-120 days | 12.25 | | |

‡ Discount basis. * Subject to availability. † Estimated.

## Selected Business Indicators

(All Dollar Figures in Billions)

| | Latest Period or End of Period | | Previous Period | Year Ago Period |
|---|---|---|---|---|
| Gross National Product (Current Dollars)* | 3rd Q'81 | $ 2,965 | $ 2,886 | $ 2,637 |
| Gross National Product (1972 Dollars)* | 3rd Q'81 | $ 1,516 | $ 1,510 | $ 1,472 |
| Percent Change, Annual Rate | 3rd Q'81 | 1.4 | – 1.6 | 2.4 |
| Change in Consumer Prices (all urban consumers)* | Oct '81 | 4.8% | 14.4% | 12.0% |
| Change in Producer Prices* | Nov '81 | 6.0% | 7.2% | 8.4% |
| Civilian Employment (Thousands of Persons) † | Nov '81 | 98,025 | 98,217 | 97,339 |
| Unemployment as % of Civilian Labor Force † | Nov '81 | 8.4% | 8.0% | 7.5% |
| Personal Income* | Nov '81n | $ 2,489 | $ 2,475 | $ 2,258 |
| Leading Indicators Composite Index (1967=100) † | Oct '81 | 128.1 | 130.4 | 135.0 |
| Industrial Production Index (1967=100) † | Nov '81n | 146.5 | 149.6 | 149.2 |
| Net Change in Consumer Installment Credit † | Oct '81 | $ 1.01 | $ 2.82 | $ 0.70 |
| U.S. Merchandise Trade Balance † | Oct '81 | –$ 4.19 | –$ 1.57 | –$ 1.13 |
| Plant and Equipment Expenditures* | 1st Q'82 | $345.46(a) | $332.69(a) | $312.24 |
| Private Housing Starts (Thousands of Units)* | Nov '81n | 871 | 864 | 1,550 |
| New Construction Expenditures* | Oct '81 | $ 230.8 | $ 234.7 | $ 228.9 |
| Total Business Inventories † | Oct '81n | $ 513.0 | $ 508.1 | $ 473.6 |
| Total Business Sales † | Oct '81n | $ 345.5 | $ 353.7 | $ 335.9 |

* Seasonally adjusted annual rate. † Seasonally adjusted. n-Newly reported figure. a-Anticipated.

## Short Term Paper Outstanding
(Millions of Dollars)

| | Latest Week | Change Since Week Ago | Change Since Year Ago |
|---|---|---|---|
| **Negotiable Time CD's Weekly Reporting Banks** | | | |
| Nationwide (12/2/81) | 131,773 | – 867 | +24,486 |
| New York City (12/2/81) | 34,226 | + 1,092 | + 7,571 |
| **Commercial Paper (12/2/81)** | 165,978 | – 648 | +40,283 |

## Bank Loans
(Millions of Dollars)

**Commercial and Industrial Loans**

| Weekly Reporting Large Commercial Banks | Latest Week | Change Since Week Ago | Change Since Year Ago |
|---|---|---|---|
| Nationwide (12/2/81) | 191,842 | + 1,900 | +19,192 |
| New York City (12/2/81) | 55,670 | + 638 | + 4,565 |

**Total Loans Gross Adjusted**

| | Latest Week | Change Since Week Ago | Change Since Year Ago |
|---|---|---|---|
| Nationwide (12/2/81) | 468,459 | + 4,275 | +42,937 |
| New York City (12/2/81) | 113,316 | + 1,485 | +13,559 |

## Financial Markets

| | Friday 12/18/81 | Change Since Week Ago | Change Since Year Ago |
|---|---|---|---|
| **U.S. Governments, Closing Yields:** | | | |
| 90-Day Bills† | 11.26% | + .06 | – 4.36 |
| 180-Day Bills† | 12.25 | + .05 | – 3.23 |
| Longest Bills† | 12.66 | + .06 | – 1.77 |
| **Recent Issues:** | | | |
| 13s 12/31/83 (When Issued) | 13.10 | | |
| 15⅞s 9/30/85 | 13.42 | – .58 | |
| 14¼s 11/15/91 | 13.56 | – .19 | |
| 14s 11/15/11 | 13.39 | – .06 | |
| **Municipals:** | | | |
| Bond Buyer–20 Bond Index* (12/17/81) | 13.00% | + .11 | + 2.44 |
| Blue List Total ($ Million) | $1,253 | – $206 | + $ 499 |
| 30-Day Visible Supply ($ Million) | $2,112 | – $316 | + $1,050 |
| Total | $3,365 | – $522 | + $1,549 |
| **Corporates:** | | | |
| Moody's Aa Composite (12/17/81) | 15.10% | + .26 | + 1.10 |
| 30-Day Visible Supply ($ Million) | $8,497 | – $760 | + $5,134 |
| **Stocks:** | | | |
| **Dow-Jones Averages:** | | | |
| Industrials | 875.76 | – 10.75 | – 61.44 |
| Transportation | 390.35 | – .76 | – 1.68 |
| Utilities | 110.07 | – 1.91 | – 5.63 |
| 65 Stocks | 351.38 | – 3.45 | – 15.32 |
| **Standard and Poor's 500 Stocks** | 124.00 | – .93 | – 9.7 |
| **N.Y.S.E. Composite Index** | 71.87 | – .56 | – 4.99 |
| **N.Y.S.E. Avg. Daily Vol. for Week (000's)** | 46,024 | + 236 | – 4,524 |

* 46% Taxable equivalent 24.07%.

† Bond equivalent.

## International Rates

| EURODOLLAR DEPOSIT RATES (bid) | Friday 12/18/81 | Week Ago |
|---|---|---|
| Overnight | 12.25% | 12.13% |
| 1 month | 13.25 | 13.19 |
| 3 month | 13.69 | 13.50 |
| 6 month | 14.63 | 14.00 |
| 1 year | 14.50 | 14.25 |
| **EURODOLLAR BONDS** | | |
| **Average Yield** | | |
| Medium Term (5 to 7 yrs.) | 14.55% | 14.55% |
| Long Term (7 to 15 yrs.) | 15.20 | 15.10 |

| FOREIGN EXCHANGE SPOT RATES New York Opening (12/18/81) | U.S. $ Equivalent | Currency Per U.S. $ |
|---|---|---|
| Belgium | .02581 | 38.75 |
| Canada | .8409 | 1.1892 |
| Denmark | .1347 | 7.4225 |
| France | .1723 | 5.8025 |
| Germany | .4366 | 2.2903 |
| Italy | .0008190 | 1221.00 |
| Japan | .004557 | 219.45 |
| Mexico | .03839 | 26.05 |
| Netherlands | .3994 | 2.5035 |
| Switzerland | .5463 | 1.8305 |
| U.K. | 1.8745 | .5335 |